G. R. S. 59] P13 GPB—15,000—20 12-13

GENERAL AND REVENUE SECRETARIAT.

Preserve
~~Destroy~~
B

1913-14
(Gen.)

File No. 166-B

Serial Nos. 2944

Papers Filed.

Month Feby/14

SUBJECT.

Loans for industrial & agricultural purposes.

PREVIOUS REFERENCES.	LATER REFERENCES.
	S.F 223-14 Vs. 1 B, 1 & 2 Feb 18. Pol 59-24 (1-4)

K Sarathwine
31. 3. 14

G.R.S. 11] 1913-14

GENERAL AND REVENUE SECRETARIAT.

(G.R.)

NOTES.

G.R. File No. 166 of 13

FILE HEADING.

Loans for agricultural and industrial purposes.

From

The Director of Industries & Commerce Mysore

No. 6061 Dated 16.12.13 Received 19.12.13

Diary No. 6099	Enclos.	Spare Copies.	Serial No. 29

BRIEF ABSTRACT OF LETTER.

Suggests some definite course of procedure in regard to the disbursement of money by the Comptroller for grant of loans and hire-purchase ~~agree~~ agreements.

NOTES AND ORDERS.

1) The Financial Secretary has in another file* (G.R. 166 of 13) ~~on the same subject~~ suggested the financing of these loans from the funds of the Mysore Bank. May the present reference be sent to Dept II for remarks on the Director's proposal?

* now before the Secretary

NOTES—First Sheet.

GPB—235,000—15-6-12

BR 20/12/13 Rey

20/12

(2)

General and Revenue Secretariat. | G. File No. 166 of 1913-14

Serial No.

3 - Mr Chatterton discussed these proposals with me & I am in general agreement with him.

4. As suggested by him it is necessary & desirable to make it clear to all people concerned that while Govt in their desire to improve the economic & industrial prospects of the State have created a Department of Industries & placed at its head a well qualified officer whose duty it is to give (& procure where necessary) expert advice and assistance to those who seek such help, Govt give no guarantee & accept no financial liability for the soundness of such advice &c.

7) I quite agree M. 28/11

5. In regard to the accounting of loans & of hire purchase advances, the amount may be paid to the party or to the Director if the party authorises the Director to receive the money & expend it on his behalf, leaving the Director to render detailed account to the party concerned & furnish to Govt a clear acquittance from the borrower. All recoveries will be accounted for in the usual manner. Of course

8) I agree as regards loans but as regards hire-purchase, both the Director & Ed. Secy do not contemplate cases in which the party will not ultimately purchase the plant. If such

NOTE—Contn. sheet.

GPB—60,000—7-11-13

Serial No.

cases are expected to be few, the Director proposes i.e. to treat cost of machine for hire-purchase contracts as advances to him may be sanctioned. In cases however in which such advances are not repaid in cash & the machine has to be taken over by Govt., the Director will have to furnish an complete account with vouchers from the firms concerned for audit.

CM 23/IV

administrative supervision will be exercised to ensure that the Director ~~does~~ acts in a way to secure & retain public confidence.

To Br II for opinion) CSB

22/12/13 Rv.

Subd 6) Where as soon as a loan or what amounts to the same thing A hire purchase advances are sanctioned for submission to a bill & receipt from the party who actually borrows. If the party gives the Govt a receipt for the whole amt, it is unnecessary for financial purposes that the Director retains the money in his hands & spends it on behalf of the party — or Lt. Col. Cameron will see the expenditure is actually sanctioned by a receipt.

SN 20/IV

Resp

L 12.XII.13

7) Vide marginal notes above.

8) I have noted on two other files my opinion as regards (a) whether such loans may not be given by the Mysore Bank if they desire (b) method of accounting &

NOTE—Contn. sheet.

W27

(4

G. R. S. 12]

General and Revenue Secretariat. | G. M. File No. 46 of 1913. 4

Serial No.

719

be adopted in these cases. Those may also be
avoided and orders passed by the Govt

31/12

23/12/13

23/12

Secy/Hy
10. Put up a draft please

29/12/13

13) Draft submd.
H. 5-1-14. hs 14) Please put up a hg draft

6.1.14

15) Fair draft submd

hg hrs
7/1/14

7-1-14

Hy Secy)

16) Let draft be seen by Br II also

8/1/14

Br II)

8-1-14

NOTE—Contn. sheet.

GPB—60,000—7-11-13

G. R. S. 12]

General and Revenue Secretariat. | G M File No. 166 of 1913-14

Serial No.	
17	17) Subd. The draft order is in accordance with the opinion of the Hl Secy. SW 9/1/14 K Rodgerson 9.1.14 KVN NR Secy Secy 9-1-14
	18) Subd to 2nd Cr & Dewan for approval. CSB 13-1-14
7062 15-1-14	20) Orders are approved Secy 13/1/14
	21) Draft approved by Dewan 27.1.14
	22) Issue. CSB 12/2/14
24	Govt Procgs No. G.6770-1/G. M166-13-44 dt 25/2/14 — Prescribes the procedure to be observed in regard to the disbursement of money by the Comptroller for the grant of loans for agricultural and industrial purposes and requests the Director to

NOTE—Contn. sheet.

GPB—60,000—7-11-13

(6

General and Revenue Secretariat.

G. R. File No. 166 of 191 3-14

Serial No.

to make it clear to all people concerned that Govt give no guarantee and accept no financial or other liability for the soundness of the advice given by him to people seeking his help.

7
24/3

NOTE—Contn. sheet.

GPB—60,000—7-11-13

GPB—1,000—23-7-13

(1

Encl.

No. 1061

OFFICE OF THE
DIRECTOR OF INDUSTRIES AND COMMERCE,
"RINGWOOD," HIGH GROUND,

Bangalore, 17th December 191 3.

DIARY No. 4079

FROM

ALFRED CHATTERTON, ESQ., C.I.E.,
Director of Industries and Commerce in Mysore,
Bangalore

1913-1914
SECTION C. M
FILE No. 166 of 13
SERIAL No. 29

To

The Secretary to the Government of His Highness the Maharajah of Mysore for Education and Agriculture, Bangalore.

SIR,

I have the honour to request that some definite course of procedure may be sanctioned by Government in regard to the disbursal of money by the Comptroller for loans and hire purchase agreements sanctioned under Government Notification No. C. 2146 C.M.-55-12-240 dated the 20th September 13. In the case of loans, I propose, when the same is sanctioned by Government to draw money from the Treasury in a lump sum, and hand it over to the borrower in accordance with the 2nd condition of para 2 of Form 3. If however the borrower prefers to accept condition 1 of para 2 of Form 3, I propose to draw the amount from the Treasury, and deposit it in my own name in the Bank of Mysore. This is the practice which has always been adopted in the Madras Presidency. The Madras Government -- and I take it also the Government of Mysore -- will disclaim all responsibility with regard to advice tendered to private individuals by the Director of Industries and Commerce. The Director of Industries and Commerce is allowed to give advice to private parties, which advice the private parties may, or may not, accept, as they choose. In the event of their accepting the same, no liability rests with Government, ~~assuming that~~ should the advice prove to be unsound, and eventually results in loss to the party to whom it is tendered. This being the case, Government have no direct concern as to how the loan is expended, and it is unnecessary that the Comptroller should in any way audit the expenditure. The Director of Industries and Commerce

(2

is responsible to the party to whom the loan is disbursed, and will furnish him with proper accounts of the expnnses, as stated under condition 1 of para 2 of Form 3. When a work had been concluded, it was always my practice in Madras to obtain an aquittance from the party, stating that ~~kkpx~~ he accepted the accounts submitted to him, and that he had/no further claims against the Director.

A similar procedure should, I think, be adopted in regard to the hire purchase agreements. But in the course of discussions with the Comptroller, he contends that the property is purchased on behalf of Government, and that therefore the bills should be dealt with in the same way as any other transactions in the Department on behalf of Government. Theoretically, he is undoubtedly correct. But in practice the Director is not responsible to Government for the purchases made, but is responsible to the party, and it will be unwise that Government should accept any liability regarding the stability or otherwise of the machinery purchased by the Director to be re-sold to a private party under the hire purchase system.

I therefore suggest that the Comptroller should be instructed to disburse the amounts sanctioned for hire purchase to the Director of Industries and Commerce, and that he should only concern himself with the repayment of the instalments at their due date. The Director will have to furnish complete accounts to the party concerned, copies of the same being recorded in his Office for reference, should at any subsequent time the hire purchaser become a defaulter.

I am extremely anxious that this system of Takkavi loans and hire purchase agreements should be made a complete success, as I think it is a simple solution to one of the most serious difficulties which we encounter in our efforts to introduce modern methods and modern appliances in agricultural and industrial operations. It is necessary therefore that the procedure should be as simple as possible, and that the Director should not/be held responsible, and have to furnish accounts for audit both to the Comptroller and to the private party for whom he is working. It is moreover absolutely essential that Government should divest itself of all responsibility regarding advice tendered by the Director

it will of all responsibility regarding advice tendered by the Director in. It is discover absolutely essential that Government should direct both the Comptroller and the Private Party for whom he is acting do not/shall responsible and have to furnish accounts for

be

tracer in particulars and information operations. It is necessary that the procedure should be so simple to use, and that the accounts in our efforts to introduce reform methods and to simplify it is a simple solution to one of the most serious difficulties which

Accountant should be made a compulsory, so I think it

Accountant like the Bird Purchaser before [illegible]

[illegible] suggests that this system [illegible] Cashier [illegible]

of the Bird Catching Accountant in his Office for reference, should [illegible]

[illegible] like the Bird Purchaser before [illegible]

[illegible] number of the Accounts Examined for Bird Purchases [illegible]

Income Tax. And Collected, and that he should only convert Bird [illegible]

the return out of the Inspectors at their Monthly Meetings. The Director

will have to furnish complete accounts to the Public Accountant, copies

[illegible] Accountant, and that he should only convert Bird [illegible]

[illegible] Director should not/shall responsible and have to furnish accounts for

in. It is discover absolutely essential that Government should direct

both the Comptroller and the Private Party for whom he is acting

it will of all responsibility regarding advice tendered by the Director

(3

of Industries and Commerce. That Officer's services should be placed at the disposal of the public, and the public are at liberty to make use of them to any extent they think fit. If he does his work satisfactorily, the public will probably largely make use of his services. If, on the other hand, his work is slack and inefficient, and the public are put to loss thereby, it is quite certain that they will not make use of his services. It may be taken that the extent to which the public do avail themselves of the opportunities of obtaining advice from the Director of Industries and Commerce will be a measure of his fitness for the post.

I have the honour to be,

Sir,

Your most obedient servant,

Sd/- Jyoti Chatterton

V.S.N./- Director of Industries and Commerce.

of [illegible] Courtroom. That Official's service [illegible] it. The disposal of the public, and the public are at liberty to [illegible] of them to any extent they think fit. If he [illegible] it, certainly, the public will probably [illegible] of his services, it, on the other hand, his work is [illegible] insufficient, [illegible] him strictly to [illegible] it is quite certain that they will not [illegible] of his services. It may be taken that the [illegible] the public do avail themselves of the opportunities of obtaining [illegible] fees for the Director of Industries and Commerce will be [illegible] fixed for the year.

I am, Sir,

Your [illegible] servant,

[illegible]

Director of Industries and Commerce.

C.R.S. 28]

Fair Draft

(4

13/2

4079

Diary No. of letter replied to

Cu. File No. 166-13
Serial No. 44

Proceedings of the Government of His Highness the Maharaja of Mysore

GENERAL AND REVENUE SECRETARIAT.
( )

, *the* 191

READ—

Letter no. 1061 dated 16 ult Dec^r 1913 from the Director of Industries & Commerce in Mysore suggesting the course

Date of issue 23/2

Signed by for S.P. Nanjapparaoolu

~~ORDER THEREON.~~—No.

~~of~~ procedure to be adopted in regard to the disbursement of money by the Comptroller for the grant of loans & the purchase of

over.

SUBJECT.

9nk/16-2-14

5

machinery on the hire-purchase system in accordance with the Rules for the grant of loans for agricultural and industrial purposes issued with G.O. No G 2097-1457 fm 55-12-239 of 2nd Sept 1913.

Order thereon:- No. G 67-70-1 of 257

The Director proposes that directly after the sanction of a loan under the above Rules the money should be drawn by himself from the treasury in a lump sum and disbursed to the borrower in instalments as per condition II (2) of Form 3 referred to in the Rules If however the borrower prefers to accept condition II (1) of Form 3 & entrusts the setting up of the machinery to the Dept of Industries

GPB—20,000—2-10-11

G. R. S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

& Commerce, the money is to be deposited in the Director's name in the Nyasa Bank, proper accounts of the Expenses incurred being rendered to the borrower with the necessary vouchers when the said machinery is handed over to him in good working order. The Director adds that as the Comptroller would only be concerned with the due repayment of instalments, his audit of the expenditure would be unnecessary.

(2). The procedure proposed as regards payment for machinery bought on the hire-purchase system is similar, the Director being required

GPB—12,000—15-2-13.

to furnish accounts to the parties concerned and to the Complainer.

(3). Gat generally approve of the procedure suggested by the Director and are pleased to direct as follows:—

(i) All amounts sanctioned as loans or hire-purchase advances will be paid to the parties in suitable instalments or to the Director if in a lumpsum authorized by them to receive and expend such amounts on their behalf.

(ii) The Director will render detailed accounts to the parties concerned and furnish to Govt a clear acquittance from each borrower.

(iii) All recoveries ~~being~~ will be accounted for in the

G. R. S. 27]

GENERAL AND REVENUE SECRETARIAT.

(Continuation sheet draft form.)

the usual manner.

(iii) In cases however, in which the Party does not ultimately purchase the machinery ordered & the same has to be taken over by Govt. in adjustment of the advance the Director will furnish the Comptroller with a complete account with vouchers from the firms concerned for audit

(iv) As suggested by the Director it is necessary & desirable to make it clear to all people concerned that while Govt in their desire to improve the economic and industrial progress of the State have created a Dept of Industries & Commerce & placed

GPB—12,000—15-2-13.

4)

at its head an well qualified Officer whose duty it is to give (or procure where necessary) expert advice or assistance to those who seek such help. Govt give no guarantee and accept no financial or other liability for the soundness of such advice. The Director is accordingly requested to give this order as wide a publicity as possible

A condition of this appl. may be inserted in every agreement for purchase of machinery that may be drawn

CSB 4/1/14

Secy. G & A 7.1.14

To the Director of Industries & Commerce in Ireland & the Comptroller through Br II

1311

27.1.14. RO

Subd

May this be printed?

Yes

Proceedings of the Government of His Highness the Maharaja of Mysore, General (Miscellaneous), dated 25th February 1914.

READ—

Letter No. 1061, dated 16th December 1913, from the Director of Industries and Commerce in Mysore, suggesting the procedure to be adopted in regard to the disbursement of money by the Comptroller for the grant of loans and the purchase of machinery on the hire-purchase system in accordance with the rules for the grant of loans for agricultural and industrial purposes issued with Government Order No. G. 2097-145—G. M. 55-12-239, dated the 2nd September 1913.

No. G. 6770-1—G. M. 166-13-14, DATED BANGALORE, 25TH FEBRUARY 1914.

ORDER THEREON.—The Director proposes that directly after the sanction of a loan under the above rules, the money should be drawn by himself from the Treasury in a lump sum and disbursed to the borrower in instalments as per condition II (2) of Form 3 referred to in the rules. If, however, the borrower prefers to accept condition II (1) of Form 3, and entrusts the setting up of the machinery to the Department of Industries and Commerce, the money drawn is to be deposited in the Director's name in the Mysore Bank, proper accounts of the expenses incurred being rendered to the borrower with the necessary vouchers when the said machinery is handed over to him in good working order. The Director adds that as the Comptroller would only be concerned with the due repayment of instalments, his audit of the expenditure would be unnecessary.

2. The procedure proposed as regards payment for machinery bought on the hire-purchase system is similar, the Director being required to furnish accounts to the parties concerned and not to the Comptroller.

3. Government generally approve of the procedure suggested and are pleased to direct as follows—

(i) All amounts sanctioned as loans or hire-purchase advances will be paid to the parties in suitable instalments or to the Director in a lump sum, if authorized by them to receive and expend such amounts on their behalf.

(ii) The Director will render detailed accounts to the parties concerned and furnish to Government a clear acquittance from each borrower.

(iii) All recoveries will be accounted for in the usual manner.

(iv) In cases, however, in which the party does not ultimately purchase the machinery ordered and the same has to be taken over to Government in adjustment of the advance, the Director will furnish the Comptroller with a complete account *with vouchers from the firms concerned* for audit.

4. As suggested by the Director, it is necessary and desirable to make it clear to all people concerned that while Government in their desire to improve the Economic and Industrial progress of the State, have created a Department of Industries and Commerce and placed at its head an officer whose duty it is to give (or procure where necessary) expert advice or assistance to those who seek such help, Government give no guarantee and accept no financial or other liability for the soundness of such advice. The Director is accordingly requested to give this order as wide as publicity as possible.

5. A condition to this effect may be inserted in every agreement for purchase of machinery through the Director.

C. S. BALASUNDARAM IYER,
Secy. to Govt., Depts. of Edn. & Agri.

To—The Director of Industries and Commerce in Mysore.
The Comptroller, Mysore Government, through Branch II.

Exd.—C. R.

1913-14

GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

GENERAL (MISCELLANEOUS)

PROCEEDINGS

Dated 25th February 1914

No. G. 6770-1
G. M. 166-13-44

Prescribes the procedure to be observed in regard to the disbursement of money by the Comptroller for the grant of loans for agricultural and industrial purposes and requests the Director to make it clear to all people concerned that Government give no guarantee and accept no financial or other liability for the soundness of the advice given by him to people seeking his help.

GPB—5-3-14—250